

Opposing the OMB Proposed Changes to Federal Grantmaking

WAYS TO TAKE ACTION

- **Participate in a National Call-In Day on Wednesday, July 29.** Join advocates nationwide by [calling](#) your Senators - both Republicans and Democrats - on July 29 and urging them to take action now to stop the proposed changes and protect our communities. (There will be a future call-in day focused on Representatives).
- **Schedule In-District Meetings with your Members of Congress during August Recess.** U.S. Representatives will be back in their home districts from July 24 to September 14, and U.S. Senators will be home August 7 to September 14. Use this time to meet with your delegation or attend their public events to ask them to take action now to stop the proposed changes. Use [NCN's August Recess checklist](#) to learn more.
- **Publish an Op-Ed or Letter-to-the-Editor in Your Local Newspaper.** Help raise awareness about how this harmful proposal will directly harm the seniors, families, and individuals in your community.

Sample phone script – Please personalize this based on your organization and concerns:

Hi, I am [name] and I am calling from [organization] located in [city, state]. I am calling to ask Senator [Senator's name] to take action to stop a sweeping proposal from the White House that would overhaul federal grantmaking.

The proposal would allow an administration to determine federal grants based on partisan ideology, rather than merit, community needs, and congressional intent. The proposal would give unprecedented power to an administration to withhold, suspend, or terminate grants without notice and without cause, or to change terms and conditions mid-performance. Grantees would face unpredictable financial and legal risks if they accept a federal grant, and many would be unable to serve as grantees. The proposal also targets federal grants that address racial, social, and economic disparities and facilitate equal opportunity for underserved communities.

Ultimately, the proposal will harm the people in [state] by jeopardizing their access to housing, community development, health, education, food, shelter, community services, disaster recovery, and more. I ask Senator [Senator's name] to take action now to stop this harmful proposal.

POLICY ASKS

We are asking all members of Congress:

- **To secure a bipartisan fix on any legislative package** moving this year to block OMB from implementing the regulation or any similar regulation.

We are asking Republicans:

- **To reach out to the White House** (not OMB) to urge them to delay the implementation of the regulation and work with policymakers and key stakeholders to address critical issues with the rule.

TALKING POINTS FOR REPUBLICANS

- **The White House and OMB should not rush to finalize this broad and very complex rule, and implementation should be blocked until major issues are addressed.** The rule has major problems and would have very significant harmful effects.
- **If implemented, the proposal would create significant financial risk and instability for federal grantees, making it more difficult to provide vital services to communities. Ultimately, this will harm constituents.** The proposal attempts to grant unprecedented power to any administration to withhold, suspend, or terminate grants without notice or without cause, or to change terms and conditions mid-performance. The proposal would allow an administration to determine federal awards based on partisan ideology, rather than objective criteria, community needs, and congressional intent. Grantees would face unpredictable financial, legal, and reputational risks that increase the costs of accepting federal awards. Many effective grantees may be unable to accept those risks. This could lead to disruptions to essential services, including housing, community development, health, education, food, shelter, community services, disaster recovery, and more in communities and states nationwide.
- **The proposal will damage state and local budgets and credit ratings.** [Moody Analytics warned](#) the proposal could negatively impact credit ratings for states and local governments.
- **The proposed rule will put enormous strain on congressional offices as they work to help constituents when funding is abruptly terminated, withheld, or suspended.** Over the past 18 months, congressional offices have had to urgently respond to constituent calls in order to get funding turned back on.
- **The proposed rule undermines the constitutional role of Congress to determine federal spending,** and would make it so much more difficult for Congress to pass bipartisan spending bills. This could lead to even more harmful government shutdowns. It is hard to imagine how Congress could reach an agreement on appropriations bills, if any administration could simply ignore it.

- **This sets a dangerous precedent, where a future administration - regardless of party - could exclude grantees based on their political point of view.** Federal grantmaking should be nonpartisan and based on merit, community needs, and congressional intent - not partisan politics.

HOW TO TALK ABOUT THE PROPOSAL's ANTI-DEI PROVISIONS

- The proposal threatens federal programs designed to address longstanding racial, social, and economic disparities and facilitate equal opportunity for underserved communities.
 - The proposal seeks to prohibit any federal funding from being used to promote “unlawful” diversity, equity, and inclusion (“DEI”) efforts or illegal immigration, despite the fact that many of the practices and policies that the administration claims are unlawful have been upheld by courts as permissible under the law.
 - It also removes the longstanding requirement to consider women-owned, minority-owned, and veteran-owned businesses in federal contracting, undermining policies Congress established to promote equal opportunity and ensure that all qualified businesses have a fair opportunity to compete for federal contracts.
- The proposed revisions create uncertainty around whether federally funded organizations can continue longstanding, lawful outreach and engagement practices that connect eligible households with services like housing counseling, youth mentoring, workforce development, health awareness, and entrepreneurship training.
- Many of the individuals and communities these programs serve continue to face documented barriers to economic opportunity, housing stability, educational attainment, health, and employment.
- This affects small businesses too. Changes that reduce or discourage federal grant programs designed to ensure equal opportunity for under-resourced entrepreneurs would have significant consequences for local economies and the communities they serve.
- By creating uncertainty around those activities, the proposed revisions would undermine equal opportunity, diminish the effectiveness of federal investments, and make it more difficult to achieve the very purposes for which these programs were established.

CONSERVATIVES RAISING CONCERNS

- **Members of Congress**
 - **Senator Susan Collins (R-ME)** [urges delay, withdrawal of certain provisions](#).
 - **Rep. Mike Lawler (R-NY)** [raised concerns](#) that the proposal will prevent communities from applying for federal funding and implementing grants.
- **American Enterprise Institute (AEI)** warns that “[the result would not be better science policy](#) — or even science policy at all. Instead, the new rule offers pathologically politicized science dressed up in regulatory language.”
- **Moody’s Analytics** warned the proposal [could negatively impact credit ratings](#) for states and local governments (paywall). See this [blogpost from the Association of American Universities for more details](#).

NEWS ARTICLES

- [White House Faces Stiff Pushback on Subjecting Grants to Political Review - The New York Times](#)

OTHER RESOURCES

- Environmental Protection Network / Lawyers for Good Government
 - [EPN/L4GG Stakeholder Factsheet](#)
 - [EPN/L4GG Comment Letter](#)
- National Council of Nonprofits
 - [NCN Comment Letter](#)
 - [National letter signed by nearly 2,000 organizations](#)
 - [Chart of Key Provisions](#)
 - [Ways to Take Action](#)
- Coalition for Human Needs
 - [Compilation of Resources](#)
- National Women’s Law Center
 - [Impact One-pager](#)